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Navy #1 in the World*

***Maritime Allowance Working
Group (MAWG)
Sub-Group***

***Allowance Budgeting and
Execution
Status Report
22 Oct 2002***

**Audrey
Woodward
SEA 04L4B**

MAWG Sub-Group
***Allowance Budgeting and
Execution***

Mission Statement: *Status Report*

- ❖ To review and improve the current processes for Programming, Budgeting, and Execution of the OPN Outfitting Spares account along with considering how these functions can be better placed and operated/coordinated as outlined in the Joint SYSCOM Supply and Logistics Management MOA dated 24 May 02

MAWG Sub-Group
***Allowance Budgeting and
Execution***

General Objectives: *Status Report*

- ❖ To accurately identify and justify OPN Outfitting Spares requirements so that all players in the PPBS process understand and support the requirements
 - ✓ (OPNAV Resource/Assessment Sponsors, PEO/PMs, CINCs/TYCOMs, SYSCOMs, FMB, OSD, and Congress)
- ❖ Review, document, and make recommendations to improve the OPN Outfitting Spares Baseline Assessment Memorandum (BAM) process



MAWG Sub-Group Allowance Budgeting and Execution



Sub-Group Personnel Status Report

- ❖ Leads: Audrey Woodward (SEA 04L4B)
& CDR Toni Kasprzak (CLF N412A)

Members:	
CDR John Spicer (OPNAV N412C)	CDR Bert Heck (CNSP N411)
Sherry Patterson (OPNAV N412F)	CDR Chris Valle (OPNAV N763)
Tim Dutcher (SEA 04L412)	Dave Compton (LS Inc.)
Katy Vickery (SPAWAR 04L1A)	Jay Koehler (INS)
Steve Case (SEALOG N50)	Chris Demeritt, (INS)
Carol Weigle (NAVICP 0563)	Roger McCleskey (Uii)
Rusti Mitten-Rynard (NAVICP-M 0563)	
Ad Hoc Members:	
Rose Davis (NAVICP-M01)	Jackie Curtis (FISCPS43)
Ed Beck (NAVICP-P)	Mike Hogan (NAVSUP 4B2D)

MAWG Sub-Group
***Allowance Budgeting and
Execution***

Assumptions: ***Status Report***

- ❖ Initially, the Sub-Group will focus on the OPN Outfitting Spares account that affects active fleet allowances and not SCN Outfitting or other OPN-8 Initial/Vendor Direct spares accounts
 - ✓ The Sub-Group may consider reviewing the entire OPN-8 Account after the Outfitting Account issues are addressed

**Need to address the 24 May 02 SYSCOM Supply/Logistics
MOA:**

- ❖ # 4. Interim Supply Support and Outfitting:
 - ✓ "We recognize that the aviation and ship processes for these functions are different. We agree to conclude an assessment of the current ship and aircraft processes and to make recommendations on how these functions can be better placed and operated/coordinated."
- ❖ We are working closely with NAVSUP/NAVICP-M as well as other MAWG members to address the OPN-8 Outfitting Process and to determine the best course of action for streamlining this function.

Recap MAWG Sub-Group Efforts:

- ❖ Met on 21 August 02 and agreed to:
 - ✓ Consider various means to improve on the OPN Outfitting budget process such as adopting the best practices of the APN-6 Outfitting budget development process.
 - ✓ Investigate (with assistance from NAVICP-P 01) the implementation of an aviation-like Deferral Plan for inclusion of all OPN-8 Outfitting funding shortfall requirements.
 - ✓ Develop a "PR-05 BAM Initiative" in order to alleviate Outfitting funding shortfall.
 - ✓ Task the Allowance Products and Processes MAWG Sub-Group to develop a methodology to identify initial Outfitting requisitions to a weapons system.
 - ✓ Task RSupply to tie shipboard Outfitting Requisition to the applicable weapon system.

Recap MAWG Sub-Group Efforts:

- ❖ Met 10 Sept with NAVICP-M Code 05 Personnel:
 - ✓ Provided overview of OPN-8 Maritime Outfitting process;
 - ✓ Discussed APN-6 Aviation Outfitting process;
 - ✓ Examined possibility of applying APN-6 process to Maritime allowancing.
- ❖ Met 12 Sept with ICP-M Code 05 and NAVICP-P Comptroller/ Code OA personnel to gain a better understanding of APN-6 Outfitting process

Recap MAWG Sub-Group Efforts:

- ❖ Met 19 Sept with NAVSUP/NAVICP-M and CFFC reps to initiate negotiations for the transition of the formulation, justification and execution of the OPN-8 Outfitting Accounts to NAVICP-M
 - ✓ Identified the following Problems in OPN Outfitting Budgeting Process:
 - » **Need to introduce discipline within the Planning, Programming, and Budgeting System (PPBS):**
 - During requirements determination, need to improve communication between NAVSEA Program Managers, NAVICP-M, Fleet, TOB, Resource Sponsors and OPNAV N41.
 - Need to establish an effective feedback mechanism to NAVSEA Program Managers, NAVICP-M, Fleet, TOB, Resource Sponsors and OPNAV N41 regarding what was actually assessed by OPNAV N412.
(Develop methodology via MAWG; Pursue establishment of maritime IOCSR)
 - » **Need to develop methodology to fund Fleet emergent outfitting requirements**

Recap MAWG Sub-Group Efforts

❖ 19 Sept OPN-8 Meeting (Con't):

- » **Need to “re-engineer” OPN-8 Outfitting process - develop MOA between NAVSEA and NAVICP-M the current NAVAIR /ICP-P MOA**
- » **SEA 04L4 needs to fully exercise control OPN-8 Outfitting Account (Initial, Ship Outfitting and Vendor Spares) BSO responsibilities:**
 - Control SPAWAR/NAVAIR/SSPO funding level of Initial and Vendor Spares.

Note: This is not a SEA 04L4 responsibility per following overview:

OPN-8 Spares - Initial (Interim)

Comprised of:

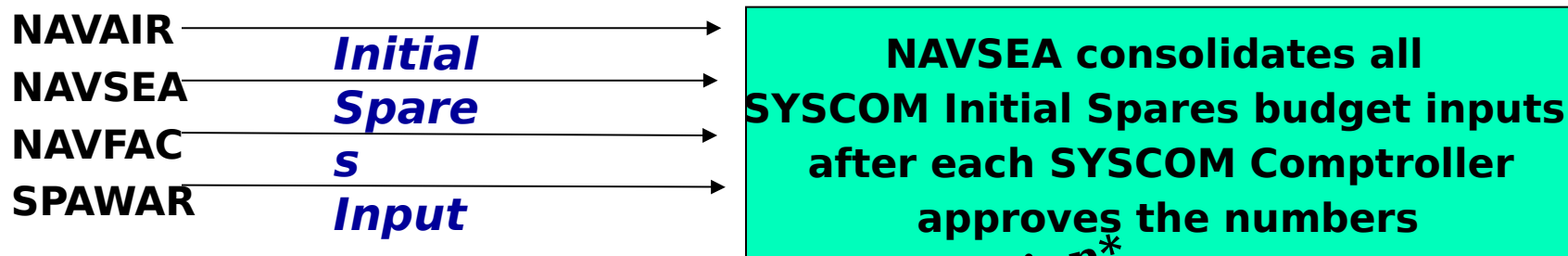
- ❖ **Pre-Material Support Date (MSD) On-Board Repair Parts (OBRPs) and interim depot stock for end item (hardware) procurements that are not yet supported by the supply system (NAVICP, DLA, GSA, and other services)**
- ❖ **Installation and Check Out (INCO) Spares - tools, hardware, spares, and repair parts provided with the hardware to be used during installation and check out of the hardware.**
- ❖ **Maintenance Assistance Modules (MAMs) - plug in/unplug, remove and replace items used for diagnostic purposes in performing corrective maintenance on hardware. (Used in lieu of, or in addition to, Built In Test/Built In Test Equipment (BIT/BITE) procedures.)**

Funding:

- ❖ **OPN Budget Activity 8 (BA-8) submitted by NAVSEA (as FMB-designated BSO) includes all Hardware SYSCOMs, but;**
- ❖ **Funding flows from FMB directly to individual SYSCOMs for execution. NAVSEA does not have authority over other SYSCOMs' funding**

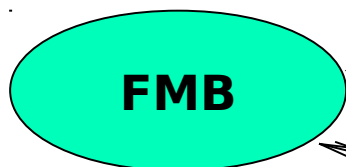
OPN-8 Spares Initial (Interim)

Initial (Interim) Spares Funding Flow



OPN BA-8 Budget Submission*

*** NAVSEA Serves as BSO**



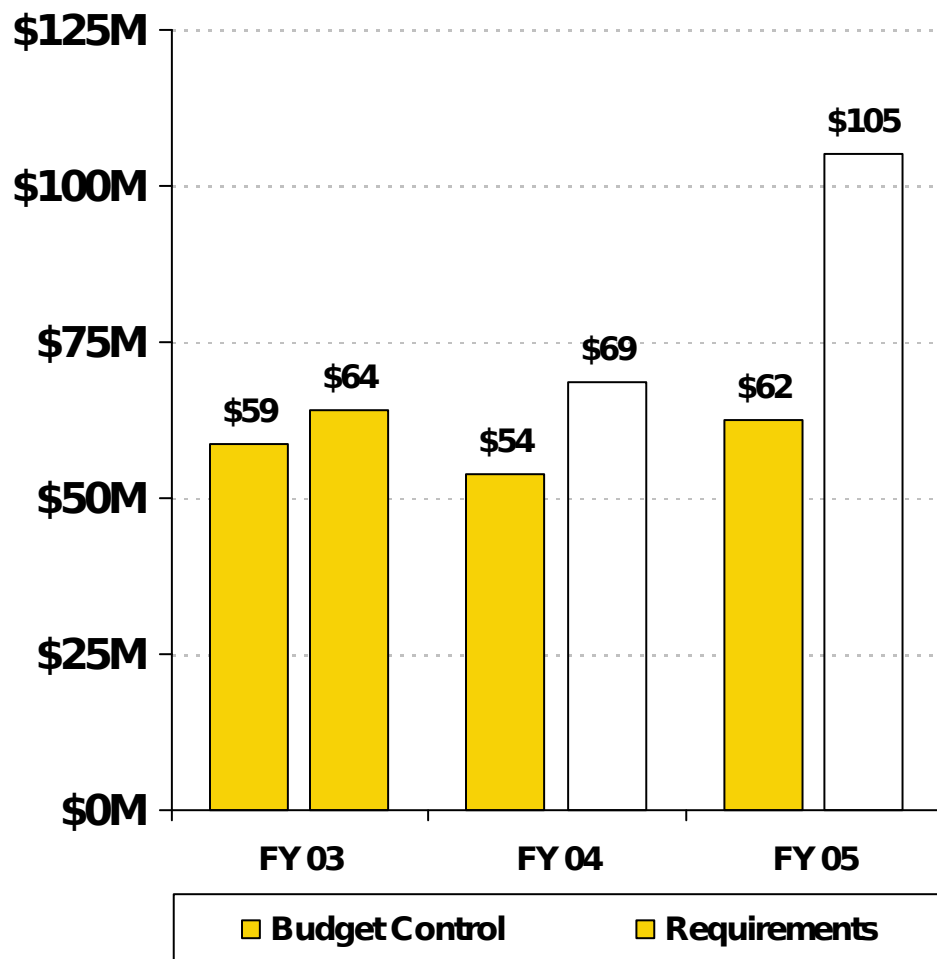
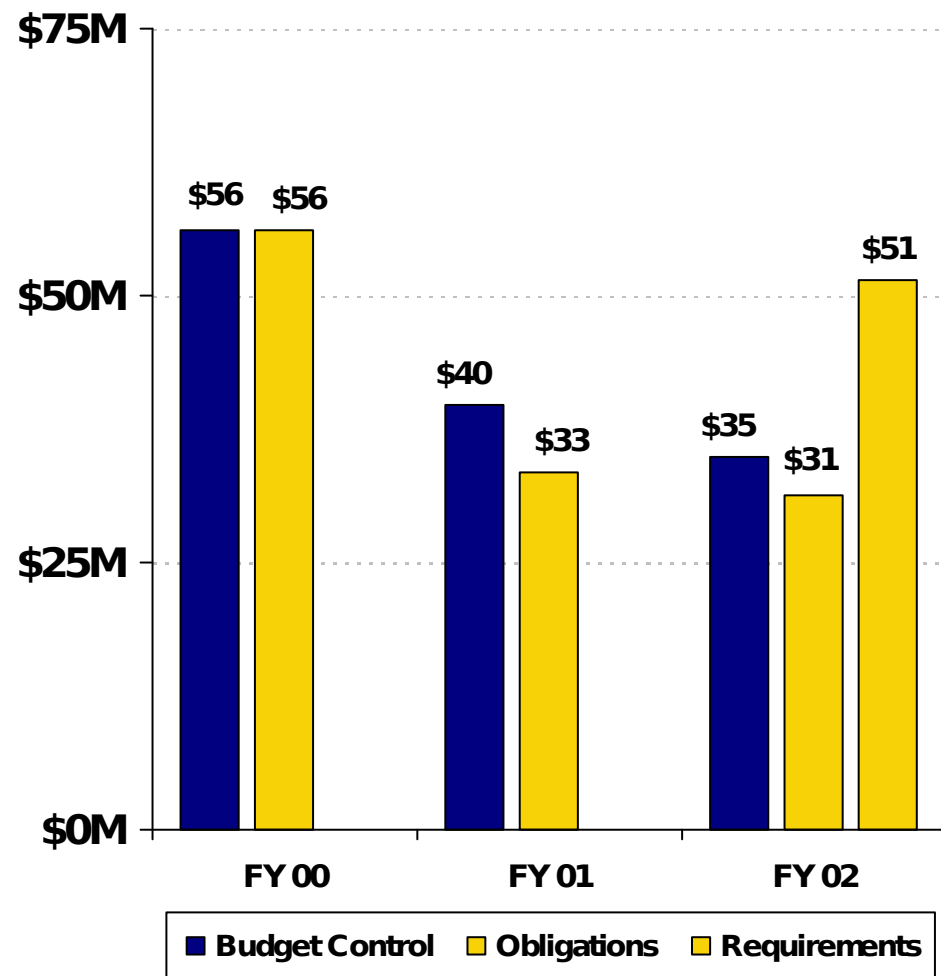
Execution **

\$\$\$
\$\$\$
\$\$\$
\$\$\$

	FY 03 (\$K)
NAVAIR =	\$ 14,074
NAVSEA	=
\$ 58,508	
NAVFAC =	\$ 2,569
SPAWAR	=
\$ 29,099	

**** Funding issued directly to the individual SYSCOMs who are responsible to FMB for execution.**

OPN Initial Funding Status



OPN-8 Spares - Vendor Direct

Comprised of:

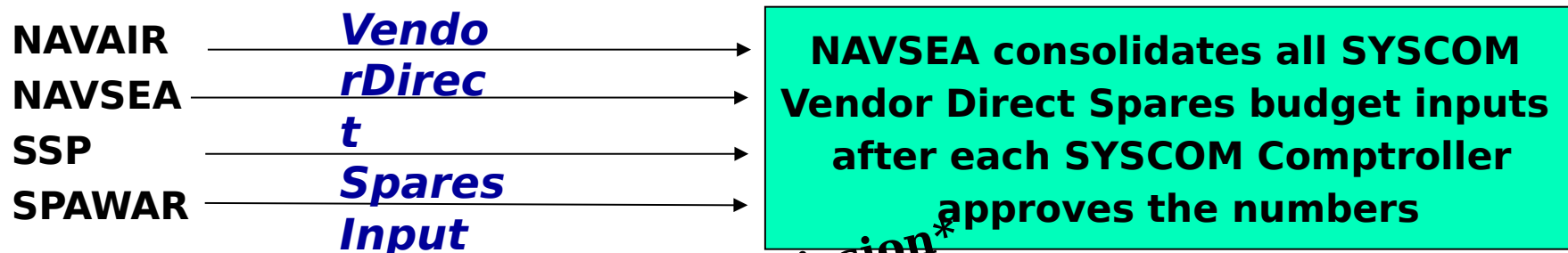
- ❖ **Spares to support a program for its life cycle; spares managed by SYSCOM Program Offices and/or ISEAs rather than by the supply system**
- ❖ **Requirements are justified via the P-18 stratification process**
- ❖ **Formerly known as Replenishment Spares**

Funding:

- ❖ **OPN BA-8 submitted by NAVSEA (as FMB-designated BSO) includes all Hardware SYSCOMs, but;**
- ❖ **Funding flows from FMB directly to individual SYSCOMs for execution. NAVSEA does not have authority over other SYSCOMs' funding**

OPN-8 SPARES Vendor Direct

Vendor Direct Spares Funding Flow



OPN BA-8 Budget Submission*

*** NAVSEA Serves as BSO**

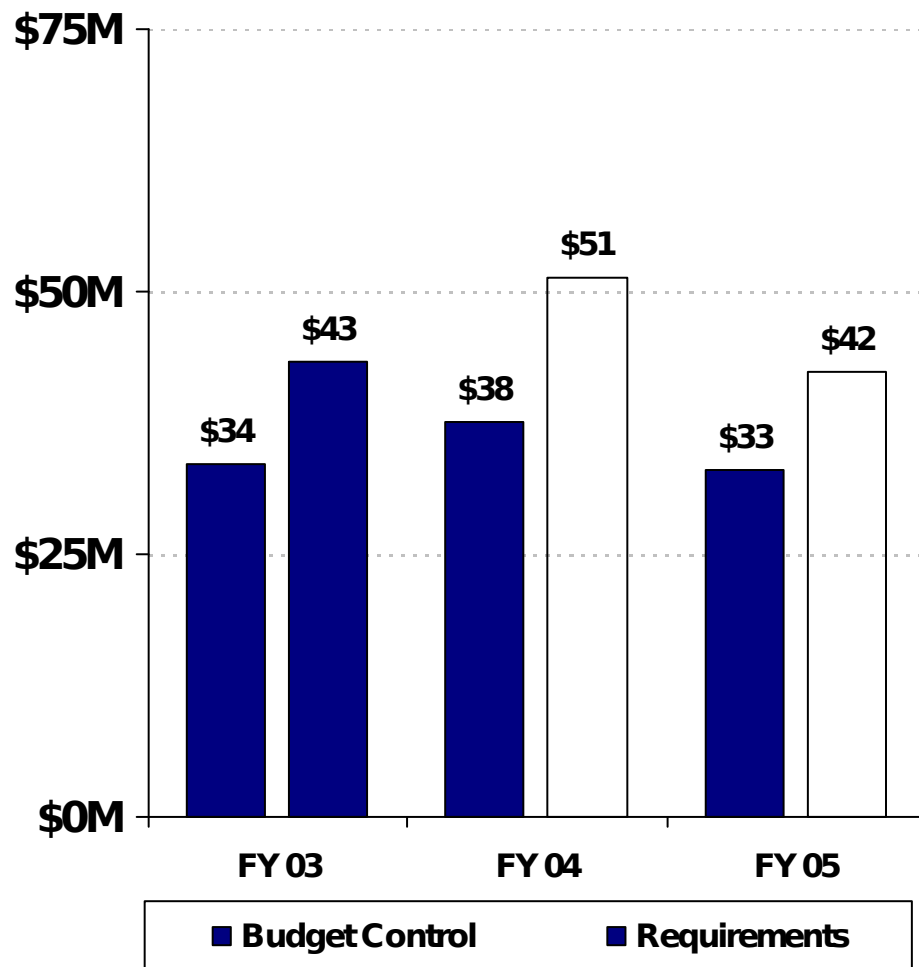
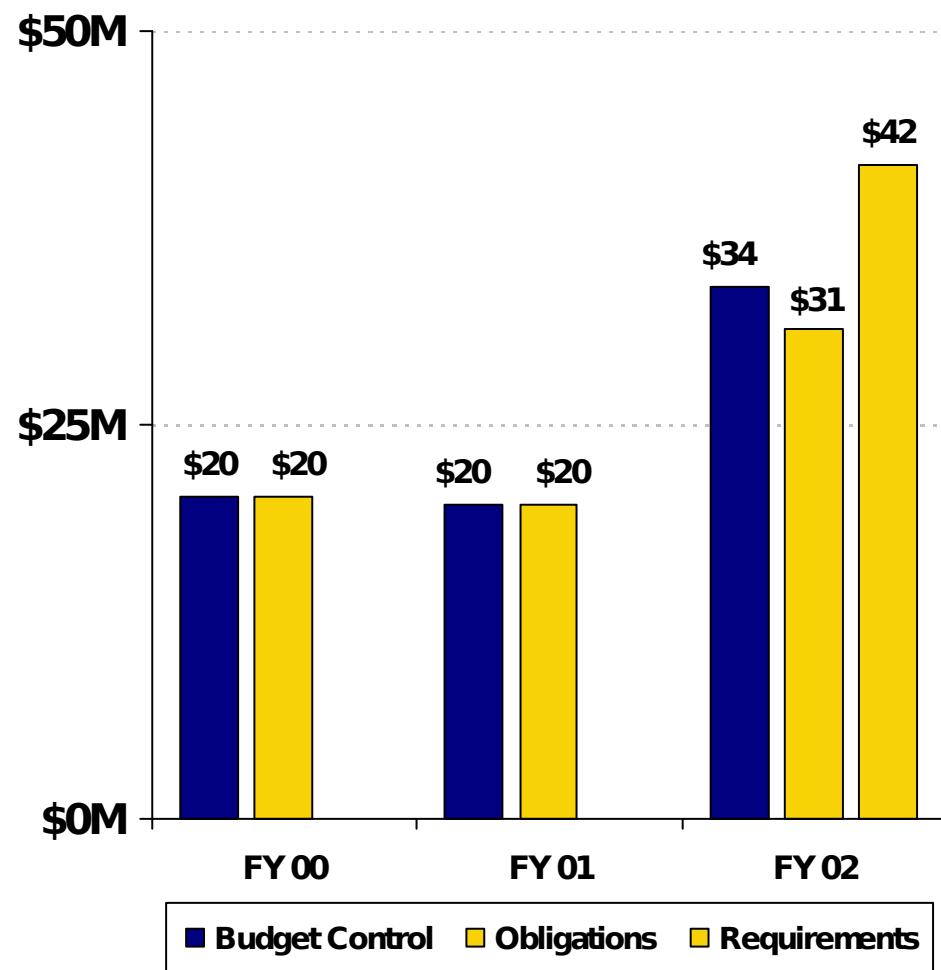
FMB

Execution**

	FY 03 (\$K)
NAVAIR	= \$ 647
NAVSEA	= \$33,661
SSP	= \$ 4,879
SPAWAR	= \$ 1,885
TOTAL	\$41,072

**** Funding issued directly to the individual SYSCOMs who are responsible to FMB for execution.**

OPN Vendor Direct Funding Status



OPN-8 Spares Recap

NAVSEA:

- ❖ **Consolidates all SYSCOM inputs for OPN BA-8 Spares and Repair Parts budget, and submits budget to FMB as **BSO****
- ❖ **Is responsible for and closely monitors execution of all NAVSEA Spares funding, BUT:**
 - ✓ **Does not receive and issue OPN-8 funding for other SYSCOMs' Initial or Vendor Direct Spares**
 - ✓ **All reprogrammings between SYSCOMs must be authorized by, and coordinated through, OPNAV and FMB.**

Recap MAWG Sub-Group Efforts:

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- ❖ Met 2 Oct with SUP Liaison officer (Captain Carl Bright) on the status of the SYSCOM Supply/Logistics MOA and other SEA/SUP partnership issues.
 - ✓ Focused discussions on considerations for transitioning budgeting and execution functions of the OPN-8 Outfitting Account to NAVICP-M.
 - ❖ Met 4 Oct with SEA 08H regarding their budget concerns that we need to address prior to transitioning the OPN-8 Outfitting Account to NAVICP-M.
 - ✓ SEA 08H and the Fleet want to ensure applicable metrics are included in the SEA/SUP MOA.

Recap MAWG Sub-Group Efforts:

- ❖ Participated in 9 Oct VTC with CINCLANTFLT, SURFPAC, SURFLANT, NAVSUP, OPNAV N412, and NAVICP to discuss how best to apply the \$22M OPN Spares supplemental to optimize Fleet readiness:
 - ✓ SURFPAC prefers to fund FY 04 RBS requirements with this FY 02 OPN.
 - ✓ Other attendees would apply the supplemental to requisitions for Fleet identified priority ships and systems, including those currently in the No Money (NM) file.
 - ✓ NAVSUP will analyze the impact on readiness of funding requisitions for RBS/Non-RBS systems spares currently in the NM File, and present their recommendations at this MAWG Meeting.

Recommended Outfitting Support Approach

- ❖ NAVSEA will continue to meet with NAVSUP/NAVICP-M to finalize negotiations for the transition of the formulation, justification and execution of the OPN-8 Outfitting Accounts to NAVICP-M.
- ❖ In addition, consider the transfer of the OPN Initial Spares budget formulation efforts to NAVICP-M as well, although the respective PARMS will still receive and execute the funding.
- ❖ SEA 04L4 will remain the Budget Submission Office (BSO) for the OPN-8 Accounts.
- ❖ NAVICP-M & NAVSEA 04L4 will develop an MOA and detailed POA&M that will outline all requirements to transfer these functions beginning with the BAM 06 development in Oct 03.